

Amherst Massachusetts

OFFICE OF THE TOWN MANAGER

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May 13, 2013

TO: Town Meeting Members
FROM: John P. Musante, Town Manager *JPM*
SUBJECT: Status Update on Amherst Housing Studies

For over a year, Amherst has been pursuing two complimentary studies of the community's housing. This memo represents an update on the status of those studies for Town Meeting's information.

Housing Production Plan - The first study examined Amherst's housing characteristics with a focus on developing a plan to address affordable housing needs. Working with Karen Sunnarborg, Consultant, and David Eisen of Abacus Architects + Planners, the Housing and Sheltering Committee helped develop Amherst's Housing Production Plan proposing actions to preserve and increase affordable housing. The Plan was completed in March and has been approved by the Planning Board and Select Board. The full Plan can be viewed on the Town website at: <http://www.affordableamherst.org>

Housing Market Study - The second study includes the following elements:

- 1) A prospective market study assessing the potential for market rate housing in Amherst for specific non-student target populations;
- 2) An analysis of the impact of the student rental market on Amherst's overall housing stock, including both single family and multi-unit residences, and;
- 3) Review and recommendations regarding Amherst's existing zoning and general by-laws pertaining to housing.

Preliminary results on the first two tasks above were received in a May 6, 2013 memo from RKG Associates, consultants working with the Housing and Sheltering Committee and Planning Board to complete the study. The memorandum includes preliminary information regarding the feasibility of non-student housing in Amherst. The memo refers to specific groupings of people aggregated according to demographic characteristics and lifestyle preferences. These groupings were developed by the Economic and Social Research Institute (ESRI), a firm internationally known for collecting and analyzing demographic data. The memo and a summary of the ESRI descriptions of these groupings can also be found at: <http://www.affordableamherst.org>.

The Housing Market Study will involve joint public meetings of the Housing and Sheltering Committee and Planning Board in the next few months. I encourage Town Meeting members and interested citizens to participate.

The Executive Summary of the Housing Production Plan and the memo from RKG Associates including the ESRI descriptions submitted as part of the Housing Market Study are attached.

HOUSING PRODUCTION PLAN

Town of Amherst, Massachusetts



Town of Amherst
Housing and Sheltering Committee
Planning Board
Select Board

Prepared by:

Karen Sunnarborg Consulting
Abacus Architects + Planners

March 2013

TOWN OF AMHERST

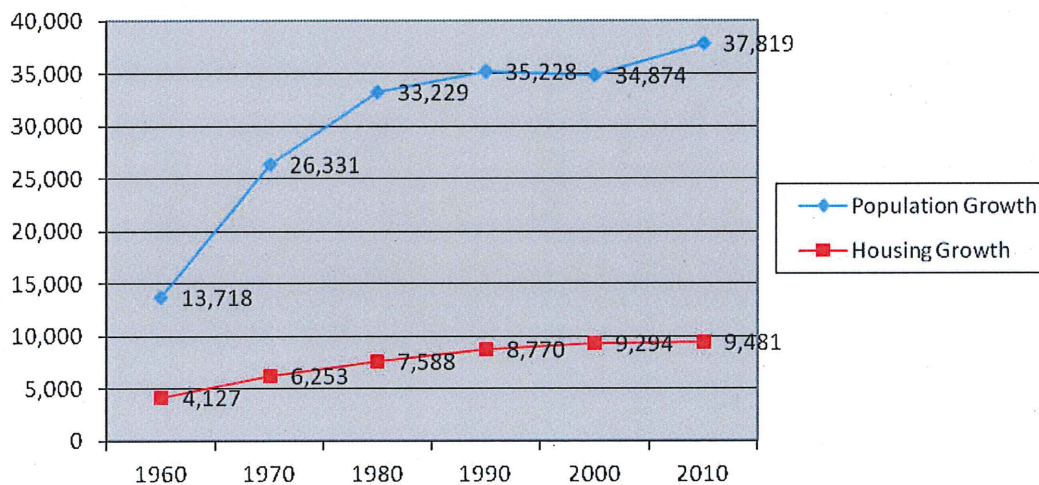
HOUSING PRODUCTION PLAN

EXECUTIVE SUMMARY

Amherst is among the most desirable places in the state to work in, to raise children, to retire to, to attend college, and to visit. However, based on a continued affordability gap, due to demographic and economic conditions, the community needs to strategically plan for future residential development, including affordable housing. By establishing a proactive affordable housing agenda, Amherst can help direct development to fit the community's needs for more diversity in housing types and affordability, while still complementing the town's traditional development patterns.

A major contributing factor to the affordability gap is that housing growth has not kept up with population growth, including increasing enrollments as noted in Figure 1. While the population grew by 24,101 residents or 176% between 1960 and 2010, housing during this same period increased by only 5,264 units or 125%. This is in essence the heart of the town's housing problem – housing supply has not kept up with increasing demand, resulting in higher housing prices and residents paying more than they can afford to live in Amherst.

Figure 1
Population and Housing Growth, 1960 to 2010



What will happen if the Town fails to act proactively and little new housing is built in Amherst? As documented in the Housing Needs Assessment in this plan, the following trends are likely to continue:

- The presence of students in off campus housing will continue to increase as UMass grows.
- With limited new housing construction, the costs of housing in town will keep climbing, further widening the affordability gap and the presence of students in existing neighborhoods.
- Young families are rapidly declining as adults age 25 to 44 decreased from 7,323 in 1990 to 4,009 by 2010, a drop of 45.3%. The widening affordability gap will continue to present a substantial obstacle to young families being able to live in Amherst.

- There are declining numbers of children and families and increasing numbers of older adults and those who are living alone.

If these demographic trends continue unabated, Amherst will become a community that is largely comprised of students and seniors, losing important social and economic vitality in the decades ahead. The community can no longer afford to support the status quo, but needs to take action to affect important changes.

Other findings from the Housing Needs Assessment include the following demographic, economic and housing characteristics and trends:

Key Demographic and Economic Characteristics and Trends

- Amherst's population growth is closely linked to student enrollments.
- The majority of Amherst's residents, 59.4%, are college students.
- The local economy has been dominated by higher education with education-related jobs averaging \$1,043 per week in comparison to wages in Amherst's service sector that approximate the minimum wage.

Key Housing Characteristics and Trends

- There has been a declining rate of overall housing growth with most recent growth in homeownership units.
- Rental housing production decreased by 12.6% between 1980 and 2010.
- Vacancy rates are low, reflective of tight market conditions for both rental and ownership units.
- Housing prices remain high despite a poor economic climate and declining sales activity. The median single-family house price as of July 2012 was \$290,000, requiring an income of approximately \$232,000 with 80% financing, including downpayment and closing costs of about \$50,000.

Amherst Rental Market

- Amherst has a robust rental housing market, which has become increasingly expensive, driven largely by a growing off-campus student population. The median rent of \$1,108 in 2010, required an income of approximately \$50,000, beyond the means of many, including most low- and moderate-income individuals and families.
- There was an estimated deficit of 2,475 rental units for those earning at or below 50% AMI.
- About 4,020 households, or 56.1%, were paying too much for their housing, and an estimated 2,700 households were spending more than half of their incomes on housing in Amherst.

Affordable Housing

To be qualified as "affordable housing" under the Federal definition, individuals may be paying no more than 30% of their income on housing. To qualify as part of the state's Subsidized Housing Inventory under the Ch. 40B, affordable housing must be (a) deed restricted, (b) affirmatively marketed, and (c) available to households earning at or below 80% of area median income.

Despite serious shortages of affordable units, Amherst is currently ahead of most communities in the Commonwealth in providing affordable housing with 1,035 affordable housing units in its state-approved Subsidized Housing Inventory (SHI), representing 10.76% of the total year-round

housing stock of 9,621 units. Therefore, the Town has passed the Chapter 40B 10% affordability threshold meaning that the Town has the option to deny developers the ability to override local zoning for 40B developments that do not receive favorable local review.¹ This is an accomplishment only 17 towns in the state have met.

While the Town has surpassed the 10% state affordability goal at this time, housing growth will continue to drive up the goal. Moreover, the pending loss of 204 affordable units at the Rolling Green development later in 2013 would bring Amherst's SHI percentage down to 8.5% without the production of additional affordable units and assuming no significant loss of other SHI units.

This Housing Production Plan, through its Housing Needs Assessment, also identifies the range of housing needs in the Amherst community, looking at important subpopulations of its residents including seniors, families, people with disabilities, the homeless, and even students. Estimates of the unmet housing needs for these subpopulations are shown below.

Table 1 (also Table 2-40 in Section 2.3)
Unmet Housing Needs in Amherst

Population in Need	Housing Available	Unmet Need*	Recommended in HPP For Next Five Years**
Extremely Low Income (Within 30% AMI)	2,490	1,970 (about 1,500 are likely students)	200 units (rentals) or 83% of annual production goal of 48 units over 5 years
Very Low Income (30% to 50% AMI)	1,190	505	
Low to Moderate Income (50% to 80% AMI)	1,050	575	40 (homeownership)
Families***	3,430	870	150
Seniors***	1,860	830	50
People with Disabilities***	72 (MassAccess) + est. 100 other units+ 81 DDS units = 253	2,200	25
Persons who are Homeless***	18 beds at Craig's Place + 8 units at Jessie's House	15	Part of the 200 units listed above

Sources: U.S. Department of Housing and Urban Development (HUD), SOCDs CHAS Data, 2009, MassAccess, and Massachusetts Department of Housing and Community Development, August 28, 2012.

* Includes all those spending too much on their housing. ** Based on five-year production goals that total 48 units/year. *** These population groups are also largely incorporated in the numbers of those with unmet housing needs earning at extremely low and very low income levels.

The third column of the table above shows estimates of units needed for each population group, after existing units are taken into account (column 2). The fourth column includes the minimum number of

¹ Chapter 774 of the Acts of 1969 established the Massachusetts Comprehensive Permit Law (Massachusetts General Laws Chapter 40B) to facilitate the development of affordable housing for low- and moderate-income households (defined as any housing subsidized by the federal or state government under any program to assist in the construction of low- or moderate-income housing for those earning less than 80% of median income) by permitting the state to override local zoning and other restrictions in communities where less than 10% of the year-round housing is subsidized for low- and moderate-income households.

units required by the state for an approvable Housing Production Plan. The total unmet needs are a daunting challenge and this HPP addresses only a minority of them.

Priority housing needs are further detailed in Section 2.3 and include the following:

- Rental housing for families, particularly those earning within very low income categories, and the growing number of smaller households that are increasingly single parents with children.
- Rental housing for individuals that require smaller affordable housing units, including persons now accommodated in the shelter in winter and elsewhere during other seasons.
- Appropriate housing for students, both on and off campus, in order to reduce the demand on the housing market in Amherst.
- Preservation of existing affordable rental housing, including subsidized units and those in the private housing market, which are typically more cost effective to rehabilitate than to build new.
- Affordable homeownership for families as market conditions have placed the purchase of homes beyond the financial means of low- and moderate-income households.
- Housing for at risk and special needs populations that often require special services and handicapped accessibility.

To address these priority housing needs, the Town has proposed a package of housing strategies shown in Section 5 of the full report that were derived primarily from the 2010 Master Plan, the Housing Needs Assessment in Section 2, local housing goals, public input, and the experience of other comparable localities in the area and throughout the Commonwealth. *Those of greatest concern are listed in Table 2 below.* The strategies in Table 2 are prioritized as to those to be implemented within Years 1 and 2, where some immediate action is required, those within Years 3 to 5, and for longer-term implementation with the potential for inclusion in the five-year term of the Plan. There is also an ongoing need to conduct community education on the information and direction described in this plan.

Meeting Amherst's need for affordable housing will require new goals and policies – and new construction too. This is not simply about adding new housing units, but doing so in a way the preserves the character of the Town, meeting both public and private goals. It is important that housing be located in appropriate areas, be designed to reinforce town character, and contribute to other civic goals: downtown revitalization; the development of walkable communities; open space access; and the preservation of local businesses.

More than half the land in Amherst is not available for development. Conservation areas, institutional land and permanently preserved farmland help maintain open space, and suggest that new construction is clustered in certain areas. The town is structured around a series of village centers that offer commercial and community spaces to nearby residents. The best opportunities for affordable housing development are likely to be near village centers. This helps support shops and cafes and reduces the dependency on cars. Housing over commercial space helps support local businesses and should have a significant affordable component. It could include artist's work-live studios that contribute to Amherst's character.

Table 2
STRATEGIES TO MAINTAIN AND EXPAND AFFORDABLE HOUSING IN AMHERST

Strategies	Priority for Implementation	Section/ Page #
Establish and capitalize a Municipal Housing Trust Fund (MAHTF), dedicated to subsidizing affordable housing	1-2 Year Implementation	5.2.1/95
Modify inclusionary zoning bylaw in order to expedite permitting for affordable housing	1-2 Year Implementation	5.2.2/96
Modify supplemental apartment bylaw to better promote such units even if they are not currently eligible inclusion in the Subsidized Housing Inventory	1-2 Year Implementation	5.2.3/101
Rezone village centers in order to ease restrictions on infill development, directing it to areas where higher density is more appropriate	1-2 Year Implementation	5.2.4/102
Continue to make suitable public property available for affordable housing; the Town may also decide to acquire additional privately owned sites	1-2 Year Implementation	5.2.5/105
Monitor and maintain existing Subsidized Housing Inventory units, avoiding loss of affordable units which can be in jeopardy in the future.	3-5 Year Implementation	5.2.6/108
Fund housing rehab efforts, including modifications to improve handicapped accessibility and eliminate lead-based paint, where appropriate, as well as housing code violations	3-5 Year Implementation	5.2.7/109
Pursue 40R/40S or Compact Neighborhoods Smart growth zoning	Longer Term Implementation	5.3.1/109
Allow two-family structures in all residential zoning districts	Longer Term Implementation	5.3.2/112
Convert existing housing to long-term affordability through mortgage assistance programs or buy-down programs that provide subsidies to qualified first-time homebuyers	Longer Term Implementation	5.3.5/114

To increase the supply of affordable housing is more than the Town itself can accomplish. Other parties must play key roles in this process. This includes the University; there must be an ongoing line of communication between the Town and UMass regarding housing development issues. Plan implementation will also rely on private developers, as well as citizen's willingness to accept new developments and higher densities. Since most housing is built by developers, Amherst should be proactive – defining what kind of development it wants, and where.

Technical Memorandum

To: Mr. Jonathan Tucker
Town of Amherst, Massachusetts
From: Kyle Talente, Vice President and Principal
RKG Associates, Inc.
Re: Residential Market Demand Assessment
Date: May 6, 2013

A. EXECUTIVE SUMMARY

Amherst has lagged behind its neighbors and the Pioneer Counties¹ in household growth. The market data indicates the total number of households has increased by less than 1% between 2000 and 2010 despite the 3% to 5% growth in the surrounding towns and counties (Map 1). Despite this, the Town's population has increased nearly 3,000 people during this time period. These findings are consistent with enrollment growth of the Town's three colleges.

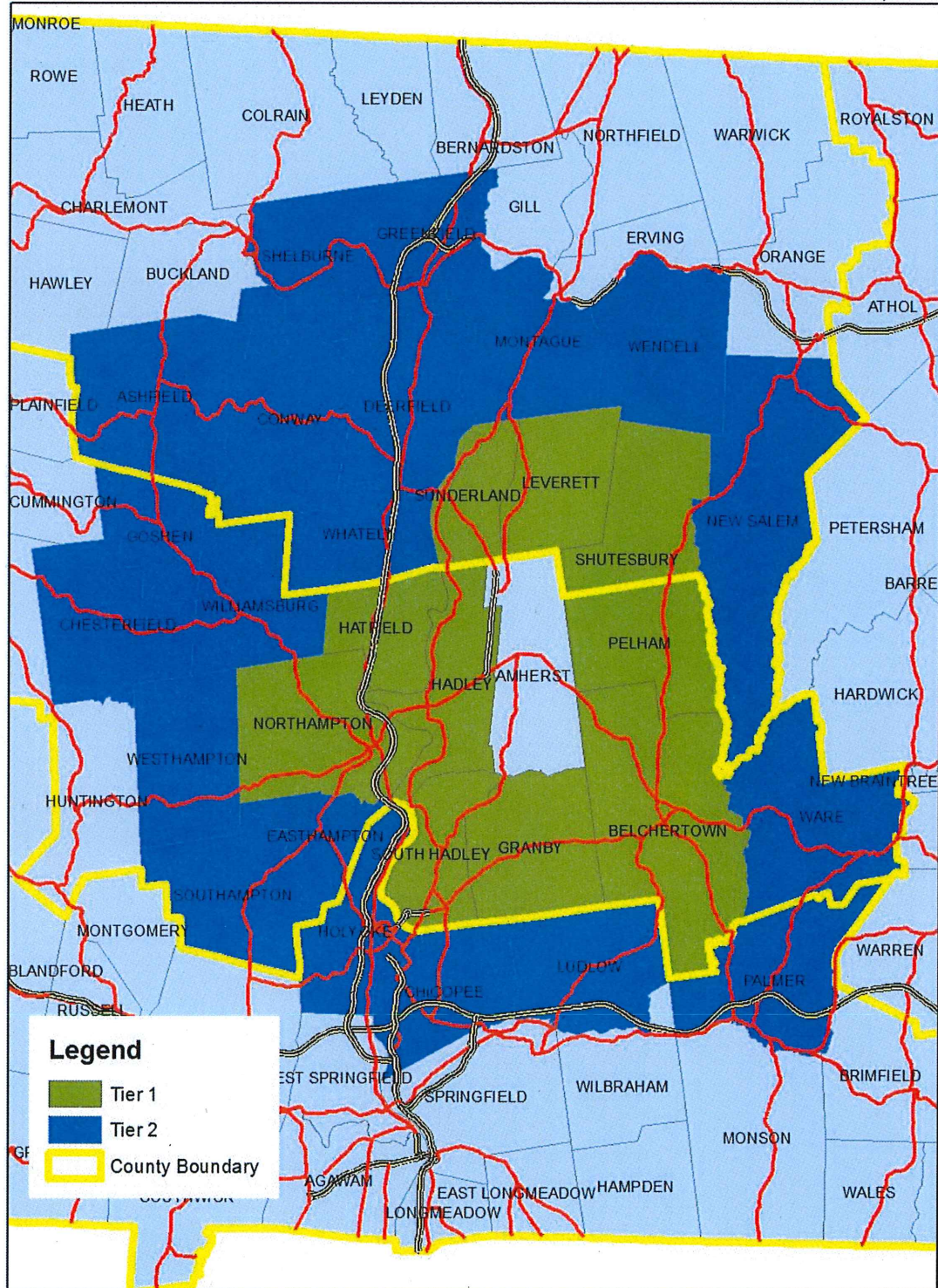
However, when the growth of population and household count is compared together, it corroborates the real estate realities that have occurred with Amherst. The lack of new residential development (particularly to support the increase in student population) has led to a number of new market paradigms. Most notably, there has been a steady increase in conversions of traditional ownership units to rental. Without development to accommodate this growth, these new residents have had to seek alternative housing options. Furthermore, Amherst is experiencing an affordability issue despite having the highest income within the region and experiencing the fastest income growth.

An analysis of real estate conditions has shown that four college students renting bedrooms in a 4-bedroom house can afford to pay more than the "average" western Massachusetts family. As a result, pricing for housing within Amherst is driven in large part by the income potential of traditional ownership units rather than a typical family household's ability to pay. As a result, those households with the highest incomes that seek to live in Amherst are the ones most likely to find opportunities. This challenge is exacerbated by the fact that Amherst has substantially limited new residential development – particularly for small-lot single-family (i.e. townhouses) and multi-family (both ownership and rental) housing. The relaxed policy of up to four unrelated persons within the Town almost assures any development of housing below the highest luxury levels will be consumed by student households.

All that stated, the data indicates that there are non-student markets that are prevalent and growing within the Pioneer Valley and throughout Massachusetts. When income and lifestyle segment information is considered, those groups (especially younger and more family-oriented) households are priced out of the Amherst market. The top four lifestyle segments in the Pioneer Counties not in Amherst (Main Street USA, Exurbanites, Cozy and Comfortable, and Prosperous Empty Nesters) are compatible with the lifestyle offered in Amherst. While it is not realistic to assume all would want to live within close proximity to three universities and the benefits/drawbacks of that environment, it is reasonable to anticipate some of these households would live in Amherst if the opportunity were available. When looking at the socioeconomic data, each of these four categories has income ranges slightly below or below those segments in Amherst with little or no student household influence.

¹ Pioneer Counties include Franklin, Hampshire and Hampden Counties

Local Region for Housing Market Analysis
Amherst, MA



In addition, there are almost 1.1 million households within New England that fall within the lifestyle segments represented in Amherst that are not concentrated in student-aged households. Within the two largest non-student populations in Amherst alone (Urban Chic and In Style), there are almost 400,000 households in New England. Assuming one-tenth of one percent of these households would be interested in living in Amherst there would be the demand for nearly 1,100 new housing units almost immediately.

B. POPULATION AND HOUSEHOLD GROWTH

Population and household growth over the last decade (2000-2010) illustrates the influence of college students within Amherst's population. Although the town's population growth rate of 8.4% exceeded all other comparative areas, its household growth of less than 1% was comparatively marginal (Table 1). Conversely, household growth in Tier 1 and Tier 2 was more robust with the addition of 1,679 and 2,698 households respectively, over the study period. In the Pioneer Counties, 8,346 households were added during this time (Note: this figure includes the two Tiers). This growth suggests that a housing demand is evident in the greater Amherst region that is not reflected at the local level. While growth is projected to slow marginally over the next five years, it is still anticipated that approximately 1,700 households will be added to Tier 1 & 2 communities. In contrast, Amherst is projected to experience a marginal net increase in households (132) over 5 years. This finding is consistent with development trends, where Amherst has experienced comparatively less growth than other areas in the region.

Table 1
Population and Household Change 2000-2017
Town of Amherst, Selective Regional Areas, and the State of Massachusetts

	Population				Change		Percent Change		Avg. Annual Change	
	Census	Census	Estimate	Projection						
	2000	2010	2012	2017	00-10	12-17	00-10	12-17	00-10	12-17
Amherst	34,874	37,819	37,727	38,011	2,945	284	8.4%	0.8%	0.8%	0.2%
Tier 1 Towns	81,965	84,108	84,221	85,392	2,143	1,171	2.6%	1.4%	0.3%	0.3%
Tier 2 Towns	205,855	206,382	206,848	207,692	527	844	0.3%	0.4%	0.0%	0.1%
Pioneer Counties**	680,014	692,942	694,042	698,225	12,928	4,183	1.9%	0.6%	0.2%	0.1%
Massachusetts	6,349,097	6,547,629	6,621,621	6,712,742	198,532	91,121	3.1%	1.4%	0.3%	0.3%

	Households				Change		Percent Change		Avg. Annual Change	
	Census	Census	Estimate	Projection						
	2000	2010	2012	2017	00-10	12-17	00-10	12-17	00-10	12-17
Amherst	9,174	9,259	9,234	9,366	85	132	0.9%	1.4%	0.1%	0.3%
Tier 1 Towns	32,346	34,025	34,122	34,747	1,679	625	5.2%	1.8%	0.5%	0.4%
Tier 2 Towns	83,241	85,939	86,324	87,416	2,698	1,092	3.2%	1.3%	0.3%	0.3%
Pioneer Counties**	260,745	269,091	270,046	273,668	8,346	3,622	3.2%	1.3%	0.3%	0.3%
Massachusetts	2,443,580	2,547,075	2,581,361	2,635,320	103,495	53,959	4.2%	2.1%	0.4%	0.4%

** Includes Franklin, Hampden, & Hampshire Counties

Source: US Census and DemographicsNow

C. MIGRATION TRENDS

1. Regional Migration Trends

Migration trends at both the county and town levels provide some insight into who is moving to the Amherst area and what ramifications that may have on housing demand. County-to-county

migration estimates for 2006-2010 indicate that approximately 17,170 people had migrated to Hampshire County from their prior residence within the past year (Table 2). Approximately 10,200 (59%) of the total immigrant population came from within Massachusetts. The remaining 41% relocated from other states or countries. By age group, migrants in the 18 to 24 cohort accounted for 59% (10,147) of movers, illustrating the influence of area educational institutions on population mobility. Still, this suggests that the remaining 41% (7,025) may have relocated to Hampshire County for non-education related reasons. Approximately 900 of this latter group, were age 55 and older, suggesting that only a moderate amount - perhaps 5% - was potentially retirement-related migration. This means the remaining 30%-35% comprised of families and/or younger households.

Table 2
Migrants to Hampshire, Franklin and Hampden Counties by Age Group
American Community Survey Estimates 2006-10

Migrants to Hampshire County from Massachusetts Counties										
Residence 1 Year Ago	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+	Total	% Total
Barnstable County	-	203	-	3	-	-	33	27	266	3%
Berkshire County	2	98	-	82	-	-	3	8	193	2%
Bristol County	14	300	-	-	-	-	-	-	314	3%
Essex County	12	344	24	13	7	-	-	7	407	4%
Franklin County	66	315	58	376	66	40	17	38	976	10%
Hampden County	675	955	743	463	266	186	48	10	3,346	33%
Middlesex County	63	1,708	67	64	69	16	-	-	1,987	19%
Norfolk County	13	493	66	4	-	-	-	-	576	6%
Plymouth County	11	454	-	-	-	-	-	-	465	5%
Suffolk County	140	298	63	126	-	3	-	-	630	6%
Worcester County	34	720	75	66	69	80	-	-	1,044	10%
Massachusetts Total	1,030	5,888	1,096	1,197	477	325	101	90	10,204	100%
% Total	10%	58%	11%	12%	5%	3%	1%	1%	100%	

Migrants to Hampshire County from other States/Countries										
Residence 1 Year Ago	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+	Total	% Total
New York	121	591	77	188	34	27	22	44	1,104	16%
Connecticut	40	299	43	10	30	11	-	-	433	6%
New Hampshire	-	286	36	-	19	-	-	-	341	5%
North Carolina	170	16	-	107	47	-	-	-	340	5%
Florida	51	192	-	46	-	-	13	26	328	5%
California	-	201	26	9	36	27	6	16	321	5%
New Jersey	7	273	-	-	-	-	20	-	300	4%
Virginia	7	188	-	9	28	-	-	31	263	4%
Pennsylvania	27	155	30	44	-	-	-	-	256	4%
Other States	88	880	127	135	22	10	10	25	1,297	19%
Other Countries	166	1,178	228	234	71	95	-	13	1,985	28%
Subtotal Outside MA	677	4,259	567	782	287	170	71	155	6,968	100%
% Subtotal	10%	61%	8%	11%	4%	2%	1%	2%	100%	41%
Massachusetts	1,030	5,888	1,096	1,197	477	325	101	90	10,204	59%
Total	1,707	10,147	1,663	1,979	764	495	172	245	17,172	100%
% Total	9%	59%	10%	11%	4%	3%	1%	1%	100%	

Migrants to Franklin and Hampden Counties									
Current Residence	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+	Total
Franklin County	630	1,051	422	804	314	325	91	94	3,731
% County	17%	28%	11%	22%	8%	9%	2%	3%	100%
Hampden County	3,717	5,330	2,480	3,354	1,967	1,014	338	624	18,824
% County	20%	28%	13%	18%	10%	5%	2%	3%	100%

Source: ACS 2006-2010

About one-third (3,346) of in-state migrants came from neighboring Hampden County. Interestingly, only about 950 (ages 18-24) of those appear to have moved for educational reasons while the remaining almost 2,400 were in other age brackets. This suggests that housing and/or work options available in Hampshire County provide a draw for Hampden County residents since some 1,716 were age 25 and over with an additional 675 at high school age or younger, indicating family-related migration between the two counties.

Middlesex and Worcester counties were also large contributors of new residents to Hampshire County, with 1,987 and 1,044 migrants, respectively. About 80% of these were 18 to 24 meaning that 20%. The remaining 600 potentially moved for non-education reasons. Other similar trends occurred related to Franklin County from which Hampshire County received about 660 migrants who were not between the ages of 18 to 24. Hampshire County also appears to have attracted a notable number of families from Suffolk County who brought 140 children under age 18.

The majority of out-of-state migrants came from including New York (1,104), with others, such as Connecticut (433), New Hampshire (341), North Carolina (340), Florida (328), California (321), and New Jersey (300) contributing less than half as many migrants. Some 28% came from other countries of which, 40% (800) were in age groups other than 18 to 24. A slightly higher percentage (61%) of out-of-state migrants appear directly related to area colleges than in-state migrants (59%).

2. Local Migration Trends

At the town-to-town level, available migration data is somewhat restricted due to data privacy requirements and survey methodology employed by the Census Bureau. However, the following information presents some revealing indicators about Amherst's position within Hampshire County's overall migratory trends. It should be noted that the data presented in Tables 3 and 4 are from different data sets presented in Table 2 and therefore, the totals do not match.

As shown, Amherst absorbed almost half (46%) of total migrants to the county during the study period (Table 3). This was followed by Northampton (22%) and South Hadley (10%) with all remaining communities at 6% or less. As noted previously, the majority of migrants to Hampshire County towns are college-related (55% of the total) with most of those locating in Amherst. In age groups that are non-student oriented, Northampton generally attracted the greatest numbers. For example, Northampton percentage of migrants in all age groups between 30 and 74 ranged between 27% and 37%, the highest amongst all communities. It also absorbed the largest number of children under 18 (27%). However, Amherst absorbed notable percentages in the 30 to 44 and 45 to 54 age groups, 14% and 17% respectively, as well as 18% of those under age 18, which exceeded the amounts in South Hadley, Easthampton, Belchertown, and Ware, indicating that Amherst attracts a significant proportion of non-student, family households moving to the county.

Table 4 provides a more detailed breakdown, to the extent which data is available, regarding the previous town of residence for recent Amherst migrants. Of the total 8,620 migrants to Amherst recorded in the sample data, about 64% were from Massachusetts. In-state movers are largely tied to the universities, representing 90% of total migrants (ages 18 to 24). About 6% can be generally related to older families/households with children (age groups 30 to 54 and <18), and 3% emerging households ages 25 to 29. This last category may also be partially tied to education, as advanced-degree or other non-traditional students. Notable proportions of non-student aged migrants came from Stoneham, Northampton, Newburyport, and Sunderland. Retirees and

near-retirees ages 55 and over accounted for less than 2% of in-state migrants, a large proportion of which came from the towns of Barnstable and Hadley.

Table 3
Migrants to Hampshire County Towns by Age Group
American Community Survey Estimates 2006-10

Moved Into	Migrants to Hampshire County from 1 Year Ago								Total	% Total
	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+		
Amherst	323	7,176	458	323	161	61	38	83	8,623	46%
Northampton	500	1,701	751	703	282	169	66	51	4,223	22%
South Hadley	296	831	310	203	134	116	14	56	1,960	10%
Easthampton	251	203	316	300	67	62	-	-	1,199	6%
Belchertown	78	140	105	229	35	88	-	-	675	4%
Ware	89	88	67	209	36	54	9	-	552	3%
Hadley	50	169	78	85	23	8	19	63	495	3%
Granby	83	77	99	72	90	-	-	-	421	2%
Goshen	39	28	6	77	-	-	-	3	153	1%
Cummington	66	13	3	15	13	6	-	-	116	1%
Worthington	10	27	15	15	16	-	-	-	83	0.4%
Hatfield	4	-	-	42	12	14	7	-	79	0.4%
Williamsburg	-	8	-	32	13	12	6	7	78	0.4%
Westhampton	19	14	6	18	13	6	-	-	76	0.4%
Southampton	19	-	-	1	19	15	12	-	66	0.3%
Chesterfield	2	6	-	31	3	7	3	-	52	0.3%
Pelham	7	5	3	18	11	3	-	-	47	0.2%
Plainfield	-	2	2	3	-	-	3	-	10	0.1%
Grand Total	1,836	10,488	2,219	2,376	928	621	177	263	18,908	100%
% Total	10%	55%	12%	13%	5%	3%	1%	1%	100%	

Moved Into	Percent of Totals by Age Group							
	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+
Amherst	18%	68%	21%	14%	17%	10%	21%	32%
Northampton	27%	16%	34%	30%	30%	27%	37%	19%
South Hadley	16%	8%	14%	9%	14%	19%	8%	21%
Easthampton	14%	2%	14%	13%	7%	10%	-	-
Belchertown	4%	1%	5%	10%	4%	14%	-	-
Ware	5%	1%	3%	9%	4%	9%	5%	-
Hadley	3%	2%	4%	4%	2%	1%	11%	24%
Granby	5%	1%	4%	3%	10%	-	-	-
Goshen	2%	0%	0%	3%	-	-	-	1%
Cummington	4%	0%	0%	1%	1%	1%	-	-
Worthington	1%	0%	1%	1%	2%	-	-	-
Hatfield	0.2%	-	-	2%	1%	2%	4%	-
Williamsburg	-	0.1%	-	1%	1%	2%	3%	3%
Westhampton	1%	0.1%	0.3%	1%	1%	1%	-	-
Southampton	1%	-	-	0%	2%	2%	7%	-
Chesterfield	0.1%	0.1%	-	1%	0.3%	1%	2%	-
Pelham	0.4%	0.0%	0.1%	1%	1%	0.5%	-	-
Plainfield	-	0.0%	0.1%	0.1%	-	-	2%	-
	100%	100%	100%	100%	100%	100%	100%	100%

Source: ACS 2006-10

Migrants from out-of-state locations also are heavily related to the University, with 71% in the key age group of 18 to 24. However, there is more diversity in this portion of movers with about 16% estimated to be families/households with children and 9% as emerging households. A notable portion of the family-aged migrants originated in Maryland, Florida, New Hampshire,

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New Jersey, and Texas. Retirees and near-retirees accounted for 3% of out-of-state migrants with notable origins of North Carolina, Rhode Island and California. Asia represented the largest international in-migration population to Amherst.

Table 4
Migrants to Amherst by Age Group
American Community Survey Estimates 2006-10

Residence 1 Year Ago	Migrants to Amherst from Massachusetts								Total
	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+	
Attleboro	-	39	-	-	-	-	-	-	39
Barnstable	-	44	-	-	-	-	-	15	59
Boston	-	190	12	-	-	-	-	-	202
Boxborough	-	45	-	-	-	-	-	-	45
Braintree	-	45	-	-	-	-	-	-	45
Brockton	-	44	-	-	-	-	-	-	44
Carlisle	-	56	-	-	-	-	-	-	56
Chelmsford	-	61	-	-	-	-	-	-	61
Easton	-	52	-	-	-	-	-	-	52
Fall River	-	44	-	-	-	-	-	-	44
Franklin	-	48	-	-	-	-	-	-	48
Hadley	-	10	-	-	-	-	-	15	25
Haverhill	-	41	17	-	-	-	-	-	58
Hingham	-	114	-	-	-	-	-	-	114
Hull	-	56	-	-	-	-	-	-	56
Leominster	-	46	-	-	-	-	-	-	46
Littleton	-	55	-	-	-	-	-	-	55
Longmeadow	-	60	-	-	-	-	-	-	60
Marlborough	17	42	-	-	-	-	-	-	59
Medfield	-	45	-	-	-	-	-	-	45
Melrose	-	43	-	-	-	-	-	-	43
Milton	-	158	-	-	-	-	-	-	158
Newburyport	12	34	-	13	-	-	-	-	59
Newton	-	105	-	-	-	-	-	-	105
Northampton	-	78	22	-	14	-	-	-	114
Northborough	-	106	-	-	-	-	-	-	106
Pembroke	-	48	-	-	-	-	-	-	48
Southwick	-	43	-	-	-	-	-	-	43
Springfield	-	102	15	-	-	-	-	-	117
Stoneham	-	22	21	-	24	-	-	-	67
Sunderland	-	75	17	10	-	-	-	7	109
Tyngsborough	-	47	-	-	-	-	-	-	47
Westborough	-	62	-	-	-	-	-	-	62
Wilbraham	16	87	-	-	-	-	-	-	103
Winchester	-	67	-	-	-	-	-	-	67
Worcester	-	66	-	-	-	-	-	-	66
Other MA	78	2,692	71	65	59	24	-	15	3,004
Subtotal MA	123	4,972	175	88	97	24	-	52	5,531
% Subtotal	2%	90%	3%	2%	2%	0.4%	0%	1%	100%
Residence 1 Year Ago	Migrants to Amherst from other locations								Total
	<18	18 to 24	25 to 29	30 to 44	45 to 54	55 to 64	65 to 74	75+	
Asia	16	492	23	22	-	10	11	15	589
New Hampshire	36	416	60	36	8	8	-	-	564
Florida	-	245	156	61	6	9	-	-	477
Rhode Island	-	248	-	-	-	-	17	-	265
Pennsylvania	17	212	20	-	9	-	-	-	258
Maryland	83	16	-	90	11	-	-	-	200
New York	14	133	-	-	-	-	-	-	147
Texas	-	117	-	-	19	-	-	-	136
California	-	53	12	9	11	-	-	16	101
Michigan	16	73	-	-	-	-	-	-	89
Virginia	-	77	-	-	-	-	-	-	77
North Carolina	-	40	-	-	-	10	10	-	60
Europe	18	31	-	-	-	-	-	-	49
New Jersey	-	11	12	17	-	-	-	-	40
Connecticut	-	40	-	-	-	-	-	-	40
Subtotal Other	200	2,204	283	235	64	37	38	31	3,092
% Subtotal	6%	71%	9%	8%	2%	1%	1%	1%	100%
Grand Total	323	7,176	458	323	161	61	38	83	8,623
% Total	4%	83%	5%	4%	2%	1%	0.4%	1%	100%

Source: ACS 2006-2010

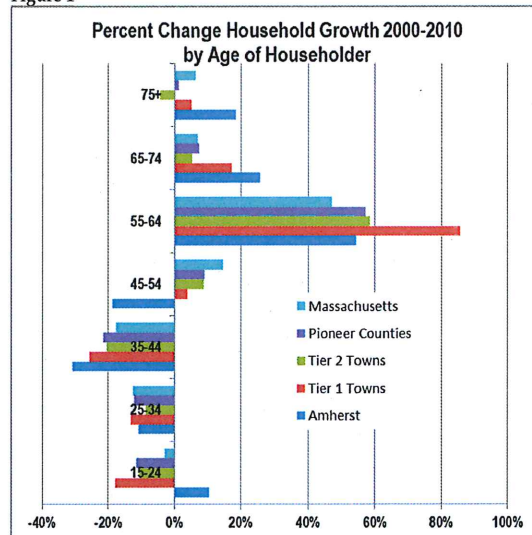
D. AGE OF HOUSEHOLDS

Household growth over the last ten years in almost all regions examined has occurred in the baby boomer generation age groups (45 and older). Within these age cohorts, the 55-64 age group experienced the greatest net and percentage gains. Tier 1 Towns in particular experienced a surge in this age group with an 86% growth rate (3,474 households), with Tier 2 (6,353 households) and the Pioneer Counties (19,637 households) both growing by approximately 57% (Figure 1). The Tier 2 and regional growth rate is commensurate with Amherst. Migration data discussed elsewhere in this memo indicated that a relatively small proportion of movers to the area (Hampshire County) were in the 55-64 age group suggesting that most of this population increase is related to households aging in place. (Note: only about 3% of the total movers in a given year to Hampshire County were 55-64. However, if the influence of college-aged migrants is removed from the total, the percentage of persons moving into the County age 55-64 increases to 7%.)

However, the net increase in baby boomer cohorts has not been uniform during the study period. Within the Town of Amherst, the 45-54 age cohort experienced a net decline of approximately 20% despite growth across all other study areas. As noted, the change in household numbers (outside of 18-24) is more an issue of aging in place than in-migration reflecting this difference being households age 35-44 were not as well represented in the Town in 2000 as households age 45-54.

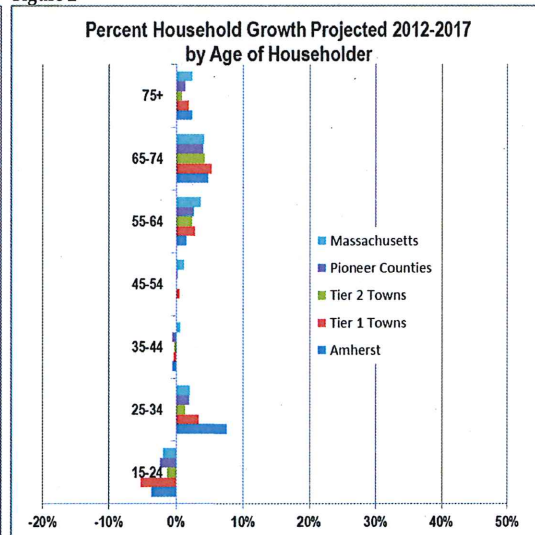
The five-year projections for 2012-2017 anticipate a continuation of the population aging but also suggest modest potential for growth in younger households as well. Household growth rates will slow somewhat in comparison to the previous decade with the largest increases expected in the 64-75 age group, with following and leading concentrations in the 55-64 and 75+ age groups (Figure 2). Additionally, projections indicate a small percentage increase in households headed by persons in the 25-34 age group. Within Amherst, these households are projected to increase by 8% over this five-year period. Growth in this younger cohort would be contingent upon being able to retain these residents who are prone to relocation if adequate job, housing, and social amenity opportunities are not available in the region.

Figure 1



Source: Demographics Now

Figure 2

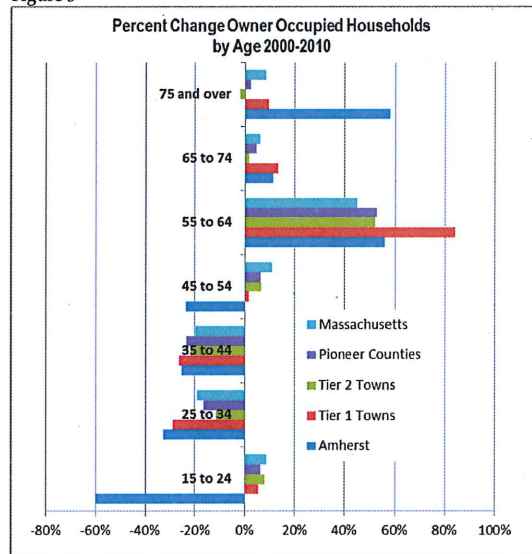


Source: Demographics Now

E. HOUSEHOLDS BY TENURE

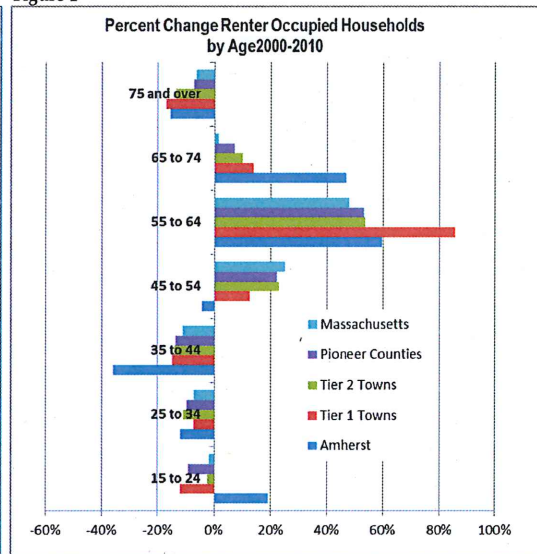
The change in households over the last decade (2000-2010) is further examined by differentiating the owner and renter-occupied housing units. As noted previously, most household growth was in the 55-64 age group. The data indicate that the percentage increase in ownership households was roughly equivalent to the percentage increase in renter households (albeit slightly higher for renters) in this age group (Figures 3 and 4). This indicates that preference for renting and owning has remained steady within this age cohort, with a slight movement towards renting. Each of the other cohorts, except for households headed by persons over 75-years old, will likely experience similar changes.

Figure 3



Source: Demographics Now

Figure 4



Source: Demographics Now

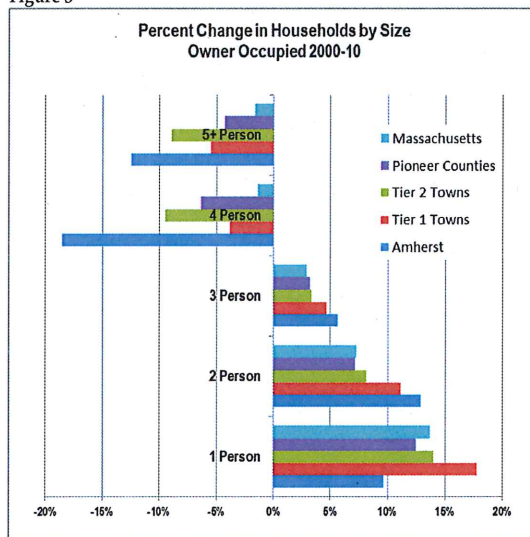
With growth projections indicating the region's most substantial household growth will be in the 65-74 age group over the next five years it is reasonable to assume that demand for housing will continue to shift towards smaller dwellings. Some of this shift is already occurring in the market with increased condominium production and the development of senior/assisted living facilities. The result of this phenomenon is most evident when examining the over 75 age cohort which experienced a large percentage increase in owner occupied units during the 2000s.

Of all the regions examined in the chart, the town of Amherst is the only location where renter occupied units exceeded owner occupied units (5,000 vs. 4,258) between 2000 and 2010. All others have at least 1.5-2 times greater owner occupancy. Projections indicate there will be little change in this housing balance through 2017. The evident demand for owner occupied housing in the regions around Amherst indicate that a lack of new housing targeted towards this market segment will limit Amherst's potential to capture non-student related households in the future.

E. HOUSEHOLD SIZE

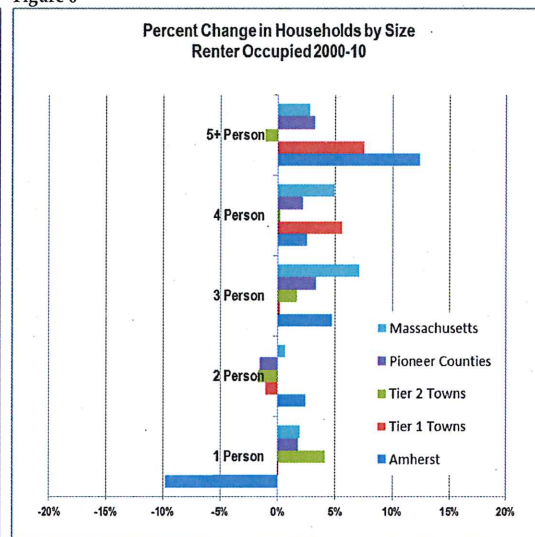
The following analysis reflects the changes in owner and renter occupied households by size between 2000 and 2010. On a regional perspective, the primary increases in owner-occupied housing were in 1- and 2-person households with decreases in larger (4- and 5-person) households which is a reflection in the decrease of family households (households with children). The greatest loss of larger households (on a percentage basis) over the decade occurred in Amherst (Figure 5). Conversely, renter households experienced higher percent growth in larger household sizes although the actual number of units represented was relatively modest (Figure 6).

Figure 5



Source: Demographics Now

Figure 6



Source: Demographics Now

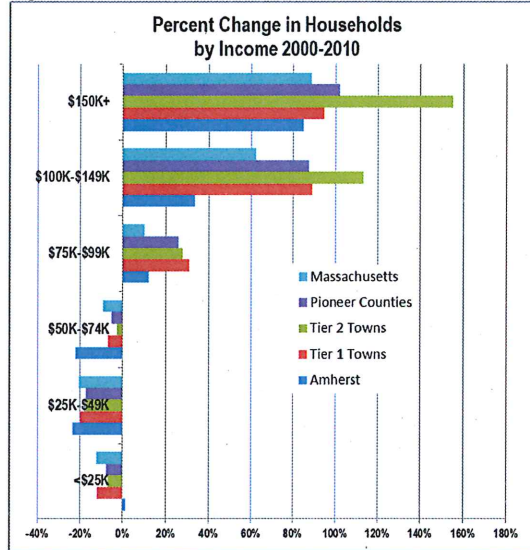
Housing affordability issues within the Town are evident in this data. One-person households in Amherst, which either grew more slowly (owners) or lost households (renters), lagged behind each of the other study areas. The data suggest individuals seeking to live in Amherst have to share a housing unit or seek housing elsewhere. Furthermore, larger households (more than 4-persons) have a higher tendency to rent than own. This finding reflects both the continued conversion of traditional ownership units (i.e. single-family detached homes) for student rentals and the subsequent challenge for families to price compete with that market.

F. HOUSEHOLD INCOME

Amherst has a relatively high household income in comparison to the surrounding region (Tiers 1 & 2 and the counties) although the Tier 1 median has been more comparable to Amherst's historically. Generally speaking, this indicates that housing would have to be more affordable, in comparison to Amherst, in order to accommodate existing households in these regional communities. Historical changes in household incomes between 2000 and 2010 indicate that each of the study areas experienced the greatest percentage growth in households earning above \$100,000 (Figure 7). However, Amherst's income levels have, and are projected to, rise faster than

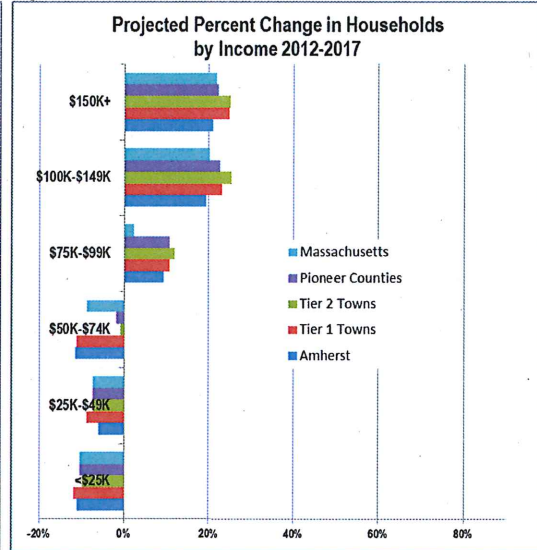
the regions through 2017 (Figure 8). The state's median remains consistently higher than Amherst's but is projected to grow at a slower rate over the next five years.

Figure 7



Source: Demographics Now

Figure 8



Source: Demographics Now

G. LIFESTYLE SEGMENTATION

ESRI's Tapestry Segmentation² categorizes U.S. neighborhoods based on their socioeconomic and demographic composition, as well as other environmental factors such as development patterns, and regional location. There are 65-different Tapestry segments each with their own unique socioeconomic characteristics related to consumption and lifestyle habits. Apportionment in any given study area is determined by the lifestyle category breakdown of resident households.

Not surprisingly, Amherst is concentrated in segments that relate to university student and university town lifestyles. Overall, the Town's households are grouped within ten classifications (Table 5). The largest segment is of college students (College Towns) totaling more than 1/3 of the Town's population. Other notable segments include college-age households including Metropolitans (9.3%), Dorms to Diplomas (7.8%), and Laptops and Lattes (5.2%).

² ESRI is an internationally renowned private data vendor of socioeconomic and psychographic data.

In comparison, these ten lifestyle segments represent substantially less of the Pioneer Valley counties (including Franklin, Hampshire and Hampden) at 26.4% and Massachusetts (30.7%) household totals (Table 5). In addition to the greater diversity of these two study areas, those categories not reflected in Amherst but well represented in the regional and state-wide market encompass lifestyles more conducive to suburban and exurban lifestyles. The top four lifestyle segments in the Pioneer Valley counties (Main Street USA, Exurbanites, Cozy and Comfortable, and Prosperous Empty Nesters) are compatible with the lifestyle offered in Amherst and represent more than 36% of all Valley households. While it is not realistic to assume all would want to live within close proximity to three universities and the benefits/drawbacks of that environment, it is reasonable to anticipate some of these households would live in Amherst if the opportunity were available. When looking at the socioeconomic data, each of these four categories has income ranges slightly below or below those segments in Amherst with little or no student household influence.

Table 5
Tapestry Segmentation Categories
2011 Households

	Amherst	Pioneer Valley	Massachusetts
College Towns	34.0%	2.0%	2.1%
Urban Chic	11.6%	9.2%	6.0%
In Style	9.6%	4.5%	3.7%
Metropolitans	9.3%	5.1%	2.2%
Silver and Gold	7.8%	2.4%	2.2%
Dorms to Diplomas	7.8%	1.6%	2.1%
Suburban Splendor	5.6%	N/A	3.9%
City Lights	5.5%	N/A	3.7%
Laptops and Lattes	5.2%	N/A	2.7%
Social Security Set	3.6%	1.6%	2.1%
TOTAL	100.0%	26.4%	30.7%

Source: ESRI and RKG Associates, Inc. 2013

That stated, there are almost 1.1 million households within New England that fall within the lifestyle segments represented in Amherst that are not concentrated in student-aged households (Table 6). Within the two largest non-student populations in Amherst alone (Urban Chic and In Style), there are almost 400,000 households in New England. Assuming one-tenth of one percent of these households would be interested in living in Amherst there would be the demand for nearly 1,100 new housing units.

Table 6
Lifestyle Segment Market Size
2011 Households

	Pioneer Valley	Massachusetts	New England	TOTAL
Urban Chic	3,820	91,914	58,795	154,529
In Style	6,538	87,454	151,443	245,435
Metropolitans	5,271	21,532	58,238	85,041
Silver and Gold	726	37,873	34,831	73,430
Suburban Splendor	1,368	98,815	108,921	209,104
City Lights	786	150,557	26,323	177,666
Laptops and Lattes	480	69,749	7,973	78,202
Social Security Set	4,924	32,802	34,494	72,220
TOTAL	23,913	590,696	481,018	1,095,627

Source: ESRI and RKG Associates, Inc. 2013

NB - New England total is less Massachusetts, Massachusetts total less Pioneer Valley

ESRI Tapestry Segment Descriptions for Amherst

Exurbanites

Demographic

Exurbanites residents prefer an affluent lifestyle in open spaces beyond the urban fringe. Although 40 percent are empty nesters, another 32 percent are married couples with children still living at home. Half of the householders are aged between 45 and 64 years. They may be part of the "sandwich generation," because their median age of 45.5 years places them directly between paying for children's college expenses and caring for elderly parents. To understand this segment, the lifestage is as important as the lifestyle. There is little ethnic diversity; most residents are white.

Socioeconomic

The 65.2 percent labor force participation rate is slightly higher than the US rate of 62.4 percent. Approximately half work in substantive professional or management positions. These residents are educated; more than 40 percent of the population aged 25 years and older hold a bachelor's or graduate degree; approximately three in four have attended college. The median net worth is \$368,532, approximately four times the national figure. The median household income is \$84,522. More than 20 percent earn retirement income; another 57 percent receive additional income from investments.

Residential

Although *Exurbanites* neighborhoods are growing by 1.61 percent annually, they are not the newest areas. Recent construction comprises only 22 percent of the housing. Seventy percent of the housing units were built after 1969. Most are single-family homes. The median home value is \$248,490, more than one-and-one-half times the national median. Because *Exurbanites* cannot take advantage of public transportation, nearly 80 percent of the households own at least two vehicles. Their average commute time to work is comparable to the US average.

Preferences

Because of their lifestage, *Exurbanites* residents focus on financial security. They consult with financial planners; have IRA accounts; own shares in money market funds, mutual funds, and tax-exempt funds; own common stock; and track their investments online. Between long-term care insurance and substantial life insurance policies, they are well insured. Many have home equity lines of credit.

To improve their properties, *Exurbanites* residents work on their homes, lawns, and gardens. They buy lawn and garden care products, shrubs, and plants. Although they will also work on home improvements such as interior and exterior painting, they hire contractors for more complicated projects. To help them complete their projects, they own all kinds of home improvement tools such as saws, sanders, and wallpaper strippers.

They are very physically active; they lift weights, practice yoga, and jog to stay fit. They also go boating, hiking, and kayaking; play Frisbee; take photos; and go bird watching. When vacationing in the United States, they hike, downhill ski, play golf, attend live theater, and see the sights. This is the top market for watching college basketball and professional football games. They listen to public and news/talk radio and contribute to PBS. They participate in civic activities, serve on committees of local organizations, address public meetings, and help with fundraising. Many are members of charitable organizations.

Laptops and Lattes

Demographic

With no home ownership or child-rearing responsibilities, residents of *Laptops and Lattes* neighborhoods enjoy single life in the big city. Most households are singles who live alone or with a roommate. The average household size remains constant at 1.8. Although this segment is slowly increasing, it is maturing and diversifying more quickly. The median age is 38.7 years. Although most of the population is white, Asians represent 10.4 percent of the total population.

Socioeconomic

This segment is affluent; the median household income of \$93,899 supports these residents. The median net worth is \$285,718. *Laptops and Lattes* residents are highly educated. More than 70 percent of residents aged 25 years and older hold a bachelor's or graduate degree; approximately 90 percent have attended college. The percentage enrolled in college or graduate school is more than three times the national level. Two-thirds of the employed residents work in professional or management positions, especially in the scientific, technical, finance, insurance, educational services, health care, and information industry sectors. More than half receive investment income; 19 percent earn self-employment income.

Residential

Laptops and Lattes residents prefer to live in major metropolitan areas such as New York City, Los Angeles, San Francisco, Boston, and Chicago. They are more likely to rent than own their homes; home ownership is at 39 percent. The majority of housing is apartments in multiunit buildings, especially those with 20 or more units. These neighborhoods are older and virtually untouched by urban renewal. Although 38 percent of the housing units were built before 1940, they are not inexpensive. The average gross rent is 85 percent higher than the US level, third highest of the Tapestry segments. The median home value is \$634,295, second only to *Top Rung*. Thirty percent do not own a vehicle.

Preferences

Cosmopolitan, connected, and politically liberal, *Laptops and Lattes* residents rely on their web-enabled cell phones instead of laptops to communicate. After the college segments, this is the top market to own an iPod and laptop or notebook computer. They go online to check e-mail, trade and track investments, review the latest news, arrange travel, and shop on sites such as amazon.com, ebay.com, and barnesandnoble.com. They also order items by phone. These

residents travel, especially abroad, and enjoy a variety of vacations, such as backpacking, hiking, and beach trips. They stay at upscale hotels and rent cars when on vacation. A typical resident owns renter's insurance policies and uses dry cleaning services frequently.

Laptops and Lattes residents go to the movies, the theater, dance performances, rock concerts, museums, bars, nightclubs, baseball and football games, and professional basketball games. They watch foreign films or movie classics on DVD and news and music channels on cable TV. *Saturday Night Live* is a favorite program. They eat out frequently and take adult education classes. They shop at Target for essentials and luxuries at high-end department and home stores.

Residents exercise regularly at a health club and practice yoga, go downhill skiing, play tennis, jog, and bike. When they listen to the radio, they have a strong preference for classical music and all-news programs. They also listen to public radio and contribute to PBS. They read two or more daily newspapers; a variety of books such as history, biographies, and self-help; and travel, epicurean, airline, fashion, finance, and business magazines. They tend to buy organic and low fat/high fiber food. They eat nutrition/energy bars and take vitamins regularly. They get involved in community activities, write to elected officials, write articles that are published, and participate in environmental groups.

Urban Chic

Demographic

Urban Chic residents are professionals who live a sophisticated, exclusive lifestyle. More than half of these households are married-couple families, similar to the US proportion. Fewer than half of them have children. Unlike the United States, there is a smaller proportion of single parents and a higher proportion of singles and shared households. The median age of 42.7 years is older than the US median of 37 years, while the diversity index of 51 is lower than the US figure of 61.

Socioeconomic

A median household income of \$87,202 and a median net worth of \$314,496 enable residents of *Urban Chic* neighborhoods to live in style. They are well-educated; more than half of residents aged 25 years and older hold a bachelor's or graduate degree; 80 percent have attended college. They work in a variety of occupations, especially professional, management, and sales positions in the scientific and technical services, educational services, and health care industry sectors. Twenty percent of these households earn income from self-employment ventures; 55 percent receive additional income from investments.

Residential

Major concentrations of *Urban Chic* neighborhoods are found in urban areas on the northern and southern California coasts and along the east coast. These neighborhoods parallel the United States for housing type and home ownership. Homes range in age from pre-World War II to post-2000, and types from high-rises to single-family houses. Sixty-three percent of the housing

is single-family; 27 percent is apartments in multiunit buildings. The rate of home ownership is 66 percent. The median home value is \$536,367, more than three times the US median.

Preferences

Urban Chic residents focus more on their lifestyle than ambience. They travel extensively, visit museums, attend dance performances, shop at upscale stores, and do volunteer work. To stay fit, they downhill ski; go backpacking, hiking, and biking; practice yoga; do aerobics; play tennis; and lift weights. They buy natural or organic food and take a multitude of vitamins and dietary supplements. They drink imported wine and truly appreciate a good cup of coffee.

These busy, tech-savvy residents use PCs extensively. This is a top segment to own an Apple computer. They go online to arrange travel; get the latest news; check their investment portfolios; trade stocks; and buy books, clothes, flowers, and tickets to concerts and sports events. They use credit cards, often charging more than \$700 a month. They also own shares in stocks, tax-exempt funds, mutual funds, and money market funds. They will occasionally use a financial planner or brokerage firm.

Urban Chic is one of Tapestry Segmentation's top segments for radio listening; these residents tune in to classical music, all-talk, and public radio. They are also avid readers of newspapers; books; and general editorial, news and entertainment, business, and home service magazines. They seldom watch TV; however, their favorite channels broadcast news programs and documentaries.

In Style

Demographic

In Style residents live in the suburbs but prefer the city lifestyle. Professional couples predominate. Household distributions by type are similar to those of the United States. Married-couple families represent 54 percent of households. Households without children (married couples without children, single-person, shared, and other family types), comprise more than two-thirds of all households. This count is increasing. The population is slightly older, with a median age of 40 years. There is little diversity in these neighborhoods.

Socioeconomic

In Style residents are prosperous, with a median household income of \$70,745 and a median net worth of \$182,665. Wages and salaries provide income for 84 percent of the households; 47 percent also receive some form of investment income. *In Style* residents are more educated compared to the US level: 42 percent of the population aged 25 years and older hold a bachelor's or graduate degree. Labor force participation is 68.5 percent; unemployment is 8.4 percent. Forty-six percent of employed residents have professional or management positions, with above average concentrations in the finance, insurance, health care, technical services, and education industry sectors.

Residential

In Style residents live in affluent neighborhoods of metropolitan areas across the country. More suburban than urban, they embrace an urbane lifestyle; 14 percent prefer townhouses to traditional single-family homes chosen by 56 percent of the households. The median home value is \$218,289. The 68 percent rate of home ownership is just slightly above average. More than three-quarters of the housing was built in the last 30 years.

Preferences

Computer savvy *In Style* residents go online daily to research real estate information; do their banking; track investments; trade stocks; book travel; and buy computer hardware or software, concert tickets, or tickets to sporting events. They use a financial planner and invest in stocks, bonds, money market funds, money market bank accounts, and securities. Looking toward the future, residents hold life insurance policies and contribute to IRA and 401(k) retirement accounts. To maintain their homes, they hire professional household cleaning services and contractors to remodel their kitchens.

Residents stay fit by exercising, eating a healthy diet to control their weight, buying low-fat foods, and taking vitamins. They attend live musical performances and gamble at casinos. They take domestic vacations to hike, golf, and go backpacking. They read magazines, listen to news-talk radio, and watch professional sports events and golf on TV.

Prosperous Empty Nesters

Demographic

Approximately 6 in 10 householders in *Prosperous Empty Nesters* neighborhoods are aged 55 years or older. Forty percent of the households are composed of married couples with no children living at home. Residents are enjoying the move from child-rearing to retirement. The median age is 48.9 years. Population in this segment is increasing slowly, at 0.53 percent annually; however, the pace will probably accelerate as the Baby Boomers mature. *Prosperous Empty Nesters* residents are not ethnically diverse; approximately 90 percent are white.

Socioeconomic

With a median net worth of \$261,595, *Prosperous Empty Nesters* invest prudently for the future. The median household income is \$67,295. Although 71 percent of the households earn income from wages and salaries, 59 percent receive investment income, 30 percent collect Social Security benefits, and 28 percent receive retirement income. Forty-one percent of residents aged 25 years and older hold bachelor's or graduate degrees; nearly 70 percent have attended college. Many residents who are still working have solid professional and management careers, especially in the education and health care industry sectors.

Residential

These residents live in established neighborhoods located throughout the United States; approximately one-third of these households are found on the East Coast. These neighborhoods

experience little turnover from year to year. Seventy-seven percent of the housing was built before 1980. Most of the housing is single-family, with a median home value of \$193,784.

Preferences

Prosperous Empty Nesters residents value their health and financial well-being. Their investments include annuities, certificates of deposit held longer than six months, mutual funds, money market funds, tax-exempt funds, and common stock. They hold universal life insurance policies. Residents exercise regularly and take a multitude of vitamins. They refinish furniture and play golf. They also attend golf tournaments and sports events, particularly baseball games and college football games. They order by phone from catalogs and use coupons. Households are likely to own or lease a luxury car.

Prosperous Empty Nesters residents take pride in their homes and communities, so home remodeling, improvements, and lawn care are priorities. Residents will join a civic club or charitable organization, help with fund-raising, write to a radio station or newspaper editor, and volunteer. They travel extensively in the United States and abroad. They read biographies, mysteries, and history books; two or more daily newspapers; and business or fitness magazines. They watch golf, news, and talk programs on TV.

Silver and Gold

Demographic

With a median age of 60.1 years, *Silver and Gold* residents are the second oldest of the Tapestry segments. More than 70 percent are aged 55 years or older. Most residents have retired from professional occupations. Half of the households are composed of married couples without children. This segment is small, less than 1 percent of all US households; however, annual household growth is 2.35 percent since 2000. Residents of these neighborhoods are not ethnically diverse; 93 percent of them are white.

Socioeconomic

These are wealthy, educated seniors. Their median household income is \$67,806, and their median net worth is \$331,108. Fifty-six percent of the households still earn wages or salaries, half collect Social Security benefits, 63 percent receive investment income, and 35 percent collect retirement income. Labor force participation is 44 percent, well below the US level. The percentage of those who work from home is higher than the US worker percentage; nearly one-fourth of employed residents are self-employed, also higher than the US level.

Residential

Their affluence enables them to relocate to sunnier climates. More than 60 percent of these households are in the South, mainly in Florida. One-fourth are located in the West, mainly in California and Arizona. Neighborhoods are exclusive, with a median home value of \$274,320 and a home ownership rate of 83 percent. *Silver and Gold* ranks second of the Tapestry segments

for the percentage of seasonal housing. Because these seniors have moved to newer single-family homes, they are not living in the homes where they raised their children.

Preferences

Silver and Gold residents have the free time and resources to pursue their interests. They travel domestically and abroad including cruise vacations. They are also interested in home improvement and remodeling projects. Although they own the tools and are interested in home improvement and remodeling projects, they are more likely to contract for remodeling and housecleaning services. Active in their communities, they join civic clubs, participate in local civic issues, and write to newspaper or magazine editors. They prefer to shop by phone from catalogs such as L.L. Bean and Lands' End.

Golf is more a way of life than just a leisure pursuit. They play golf, attend tournaments, and watch The Golf Channel. They also go to horse races, bird watching, saltwater fishing, and power boating. They eat out, attend classical music performances, and relax with a glass of wine. Favorite restaurants include Outback Steakhouse, Cracker Barrel, and Applebee's.

Silver and Gold residents are avid readers of biography and mystery books and watch numerous news programs and news channels such as Fox News and CNN. Favorite non-news programs include detective dramas.

Cozy and Comfortable

Demographic

Cozy and Comfortable residents are middle-aged married couples who are comfortably settled in their single-family homes in older neighborhoods. The median age of 42.3 years is five years older than the US median of 37 years. Most residents are married without children or married couples with school-aged or adult children. With 8.7 million people, this is a relatively large segment that is growing moderately by 0.48 percent annually since 2000. Most of these residents are white.

Socioeconomic

Although the labor force is older, they are in no hurry to retire. The labor force participation rate is 65.7 percent; the unemployment figure is 9.3 percent. Employed residents work in professional, managerial, and service occupations in a variety of industry sectors. Occupation distributions are similar to US values. The median household income is \$65,665. Income for 80 percent of the households is earned from wages and salaries. Forty-six percent of households receive investment income. Their median net worth is \$181,850.

Residential

Cozy and Comfortable neighborhoods are located in suburban areas, primarily in the Midwest, Northeast, and South. Many residents are still living in the homes in which they raised their children. Single-family structures make up 88 percent of the household inventory. The median

home value is \$154,868. Sixty-two percent of the housing units were built before 1970. Home ownership is at 85 percent.

Preferences

Cozy and Comfortable residents prefer to own certificates of deposit and consult a financial planner. They typically hold a second mortgage, a new car loan, a home equity line of credit, and a universal life insurance policy. Home improvement and remodeling projects are important to them. Although they will contract for some work, they attempt many projects, especially painting and lawn care. Depending on the season, they play golf or ice skate for exercise. They attend ice hockey games, watch science fiction movies on DVD, and take domestic vacations. They eat at family restaurants such as Friendly's, Bob Evans Farms, and Big Boy.

Going online isn't a priority, so they own older home computers. Television is very important; many households own four or more sets so they won't miss any of their favorite shows. They watch sports, particularly football, and news programs. Reading the Sunday newspaper is part of the routine for many.

City Lights

Demographic

The *City Lights* segment is composed of diverse neighborhoods situated primarily in the Northeast. This dense urban market is a mixture of housing, household types, and cultures that all share the same city space. Households include families and singles, similar to the US distribution by household type. With a median age of 38.6 years, the population is slightly older than that of the United States. Compared to the US population, there are fewer children and slightly more people aged 75 or older. The ethnic or racial diversity is slightly higher than the US level, with higher ratios of Asian, Hispanic, and multiracial populations.

Socioeconomic

City Lights residents earn a good living working in white-collar and service occupations. The median household income is \$63,959, derived primarily from wages and some investments. The median net worth is \$105,095. The labor force participation rate of 62.9 is slightly above the US level.

Residential

Housing types include single-family homes, townhouses, and apartments in buildings with 2 to 50 or more units. Thirty-five percent of housing are apartments in buildings with two to four units, approximately four times the national level. Unlike US housing, the proportion of single-family homes in the *City Lights* market is only 36 percent of the household inventory. Housing is also much older than the US average, because nearly two-thirds of the structures were built before 1960. The home ownership rate of 54 percent is lower than the national average. The median home value of \$346,249 is more than double that of the US median.

Preferences

City Lights residents lead an urban lifestyle and take advantage of big-city opportunities. They buy household furnishings, groceries (including fast food and takeout), personal goods, and entertainment. They are more likely to buy household furnishings than home maintenance. They shop for clothes, shoes, jewelry, and toys at stores such as Target, Macy's, and Costco. They buy groceries at stores such as Kroger and Stop & Shop.

City Lights residents take vitamins, practice yoga, and do aerobics to stay fit. They travel domestically and abroad, take cruises, go to the movies, and watch family and classic movies on DVD. They visit Atlantic City to gamble and play the lottery. They read two or more Sunday newspapers and listen to news, soft adult contemporary, and classical music radio. Many households in large cities subscribe to digital cable service; HBO is a favorite cable channel.

Metropolitans

Demographic

Residents of *Metropolitans* communities prefer to live in older city neighborhoods. Approximately half of these households are singles who live alone or with others; 40 percent are married-couple families. One in four of the residents is aged 20–34 years; the median age is 37.7 years. Diversity is low; most of the population is white.

Socioeconomic

The labor force participation rate of 67.2 percent is well above average; the unemployment rate is 8.3 percent. Half of the residents who are employed work in professional or managerial positions. More than 75 percent of the population aged 25 years and older have attended college or completed a degree program. Thirty percent have earned a bachelor's degree, and 23 percent hold a graduate degree. The median household income is \$60,191; the median net worth is \$102,460. Nearly half of the households earn extra income from interest, dividends, and rental properties.

Residential

Distributed throughout the country, residents of *Metropolitans* neighborhoods live in an eclectic mix of single-family homes and multiunit buildings. Sixty percent of the housing units were built before 1960. These neighborhoods change slowly; since 2000, the annual household growth is 0.28 percent. The home ownership rate is 60 percent, and the median home value is \$192,372.

Preferences

Metropolitans residents are no different from other owners of older homes who incur costs for maintenance and remodeling. They will contract for lawn maintenance and professional housecleaning services. Many will own or lease a station wagon. Planning for the future, residents own shares in investment funds, contribute to IRA savings accounts, and hold large life insurance policies.

These residents pursue an active, urbane lifestyle. They travel frequently for business and pleasure. They listen to jazz, classical, public, and alternative music radio. They go to rock

concerts, watch foreign films on DVD, read women's fashion magazines, and play a musical instrument. They also practice yoga and go kayaking, hiking/backpacking, and water and snow skiing.

Active members of their communities, *Metropolitans* residents join civic clubs, volunteer for environmental causes, address public meetings, and work for a political party or candidate. They also belong to business clubs and contribute to PBS. They prefer to own and use a laptop computer, preferably an Apple. They go online daily to download music and buy books, airline tickets, CDs, and clothes. They also order merchandise by mail or over the phone.

Main Street USA

Demographic

Main Street, USA neighborhoods are a mix of household types, similar to the US distribution. Approximately half of the households are composed of married-couple families, nearly one-third are single-person or shared households, and the rest are single-parent or other family households. The median age of 36.8 years nearly matches the US median. These residents are less diverse than the US population.

Socioeconomic

The median household income is \$57,196, derived from wages, interest, dividends, or rental property. Their median net worth is \$84,763. More than one in five residents aged 25 years and older hold a bachelor's or graduate degree; half of the residents have attended college. Occupation and industry distributions are similar to those of the United States.

Residential

A mix of single-family homes and multiunit buildings, these neighborhoods are located in the suburbs of smaller cities in the Northeast, West, and Midwest. Nearly two-thirds of the housing was built before 1970. The home ownership rate is 63; the median home value is \$174,970.

Preferences

Family-oriented and frugal, these residents may occasionally go to the movies or eat out at a family restaurant, such as Friendly's or Red Robin, but are most likely to stay home and watch a rental movie or play games with their children. They own pet cats. They play baseball and basketball and go swimming. They listen to classic hits and rock radio and watch cartoons and courtroom shows on TV. They go to the beach and theme parks or take domestic vacations to visit with family or see national parks.

They go online periodically to look for jobs, research real estate, and play games and are beginning to shop online. Those who do not have Internet access at home will go online at school or the public library. They use the Yellow Pages to find veterinarians or stores. They will invest in small home improvement and remodeling projects, usually doing the work themselves instead of hiring a contractor. They buy the tools and supplies for these projects from Home Depot or

Ace Hardware. They keep up their lawns and gardens by planting bulbs, fertilizing, and applying lawn care products regularly.

College Towns

Demographic

With a median age of 24.4 years, *College Towns* is the third youngest of all the Tapestry segments. Most residents are aged between 18 and 34 years and live in single-person or shared households. One-fourth of households are occupied by married-couple families. The race profile of this market is somewhat similar to the US profile. Approximately three-fourths of the residents are white.

Socioeconomic

College Towns residents are focused on their education; 59 percent are enrolled in college or graduate school. After graduation, other residents stayed on to teach or do research. Because many students only work part-time, the median household income of \$31,271 ranks near the low end. The median net worth is \$12,027. Fifty-two percent of the employed residents work part-time. This segment ranks second to the *Dorms to Diplomas* segment for the highest proportion of part-time employment. Most of the employed residents work in the service industry, holding on- and off-campus jobs in educational services, health care, and food preparation.

Residential

One in seven *College Towns* residents lives in a dorm on campus. Students in off-campus housing live in low-income apartment rentals. Thirty percent of housing is owner-occupied, typically by town residents, who live with their families in single-family dwellings. The median home value is \$137,707. One-third of the housing is single-family structures.

Preferences

Convenience dictates food choices; they usually buy ready-made, easy-to-prepare, or frozen meals, frozen pasta, pizza crusts, and peanut butter and jelly at the closest grocery store. With their busy lifestyles, they frequently eat out or order in from fast-food restaurants, particularly McDonald's, Wendy's, and pizza outlets during the week; however, many cook at home over the weekend. They buy books online and in stores. They have student loans and bank online or by ATM. These computer-savvy students own laptop computers or expensive desktop personal computers and the peripherals to match. Connecting to the Internet is essential; they go online to research assignments, look for jobs, check e-mail, and download music. Keeping in touch is also important; they buy and use cell phones and accessories.

New to living on their own, many *College Towns* residents purchase bedding, bath, and cooking products. They own few appliances but, at a minimum, have a microwave oven, a toaster, and an upright vacuum cleaner. Their lifestyle is very casual. They rank high for participating in nearly every outdoor sport and athletic activity.

College Towns residents attend country music and rock concerts and college basketball and football games, play pool, and go to movies and bars. They also participate in public activities including fund-raising and volunteer work. They usually listen to alternative music on their MP3 players, tune in to public radio, and watch MTV and Comedy Central on cable TV. They shop at discount stores but prefer to buy branded clothes from Old Navy, Gap, and Target.

Dorms to Diplomas

Demographic

With a median age of 21.7 years, *Dorms to Diplomas* residents are college students who are the youngest of the Tapestry segments. Seventy-nine percent of the residents are enrolled in a college or university. Forty-two percent share housing with one or more roommates; 38 percent live in single-person dwellings. Ethnic diversity is slightly lower in this segment than in the United States. Seventy-one percent of the residents are white; 10 percent are black. Although there is a higher percentage of Asians, Hispanics have a lower percentage compared to the United States.

Socioeconomic

To support themselves while they attend school, nearly three-fourths of the employed residents work part-time in low-paying service jobs. The educational institutions at the center of these communities employ many residents, especially in the educational services, accommodation/food services, and retail trade industry sectors. The median household income for this segment is \$19,089; the median net worth is \$8,899. Fifty-five percent of the residents aged 25 years and older hold a bachelor's or graduate degree.

Residential

Forty-three percent of the residents in the *Dorms to Diplomas* communities live in dormitories on campus; the remainder rent apartments in multiunit buildings off campus. Ninety percent rent. Most of these communities are in urban locations or part of a major campus that is the core of an urban cluster. The median home value for owner-occupied housing is \$140,966.

Preferences

Spending patterns of *Dorms to Diplomas* residents reflect their carefree lifestyle and their focus on their education. When they do not eat at the dining hall or in one of the nearby fast-food restaurants, they use convenient prepared and frozen foods. Most individuals own or share a refrigerator and microwave. Owning a personal computer is a necessity; they prefer laptops. Internet access is available to all and used frequently to research school assignments, find employment opportunities, make travel plans, and keep in touch with friends and family. Most own cell phones, iPods, and digital cameras. They download music and share videos. They bank online.

Aside from the exercise they get from participating in college sports and walking or jogging around campus, they work out at on-campus gyms. Favorite pastimes include playing football,

basketball, volleyball, and practicing yoga. They eat low-fat, low-calorie food. They also attend rock concerts, go dancing, and go to the movies and the theater. Typical of dorm life, they spend time with friends watching sports and playing cards. Although they often shop at discount stores, they prefer branded clothing from American Eagle and Old Navy.

Social Security Set

Demographic

Four in ten householders are aged 65 years or older; the median age is 46.4 years. Most of them live alone. Somewhat ethnically diverse, *Social Security Set* neighborhoods are a blend of different racial groups; however, half of the residents are white and one-third are black and 18 percent are Hispanic.

Socioeconomic

Although *Social Security Set* residents live on very low fixed incomes, they have accumulated some wealth they can tap into now that they're retired. Their median household income is \$16,805; their median net worth is \$10,814. Unemployment is high among the younger residents who are still part of the labor force. Eight percent of households rely on public assistance; 16 percent receive Supplemental Security Income. The service industry provides more than half of the jobs held by these employed residents. Overall, more than two-thirds of the residents graduated from high school. Thirty-seven percent attended college; 16 percent hold a bachelor's or graduate degree.

Residential

Located in large US cities, these communities are dispersed among business districts and around city parks. Most *Social Security Set* residents rent apartments in low-rent, high-rise buildings; a few elderly residents opt to live in congregate housing. Owner-occupied houses in these neighborhoods have a median value of \$111,801. Because more than half of these households do not own a vehicle, many residents rely on easily accessible public transportation.

Preferences

Limited resources somewhat restrict the activities and purchases of residents in *Social Security Set* neighborhoods. They shop at discount stores but prefer grocery stores close to home. Many depend on Medicare or Medicaid to pay their health care costs. They bank in person and pay cash when they shop. Many purchase renter's insurance. Most households subscribe to cable television; residents enjoy their daytime and prime time TV. They watch game shows, a variety of sports, and entertainment news shows. This high viewership provides an easy way to reach these residents. Avid newspaper readers, many will read two or more to stay current on sports and the news.

Suburban Splendor

Demographic

Suburban Splendor residents are families who live in growing suburban neighborhoods. Married couple families with and without children comprise 8 in 10 of these households. Household growth in these suburbs is 2 percent annually. The median age is 41.6 years, and half of the population is aged 35–64 years. These low-diversity neighborhoods are predominantly white.

Socioeconomic

These successful suburbanites are the epitome of upward mobility, just a couple of rungs below *Top Rung* in affluence. *Suburban Splendor* residents have a median household income of \$121,661 and a median net worth of \$621,888. The wealth of *Suburban Splendor* residents is more than double that of the US median. Labor force participation rates are high for both men and women; many households are two income. Most employed residents work in management, professional positions, and sales. They supplement their salaries with income from interest, dividends, and rental property at a rate much higher than the national level. Well educated, more than half the population aged 25 years and older hold a bachelor's or graduate degree.

Residential

Sharing the lead with *Top Rung* for home ownership at 91 percent, *Suburban Splendor* neighborhoods are located in metropolitan areas throughout the United States. Their large, luxurious homes have a median home value of \$388,380. Located in growing neighborhoods, 60 percent of the houses are relatively new, built after 1979. Because two-income households commonly require multiple vehicles, it is not surprising that 85 percent of these households own two or more vehicles.

Preferences

Hot tubs, espresso machines, granite countertops, and the latest interior design amenities are featured in *Suburban Splendor* homes. A main focus is home improvement and remodeling projects done mostly by contractors, although residents will tackle interior painting jobs. They own a wide array of electric tools that they may or may not use regularly. Residents hire a lawn maintenance service to cut the grass but like to plant their own shrubs and trees; treat their lawn with fertilizer, weed control, or insecticide; and sow grass seed. They have all the latest electronic gadgets including digital camcorders, video game systems, projection screen TVs, and numerous cell phones. This market prefers to own or lease a minivan or full-size SUV and is one of the top markets for owning or leasing a luxury car.

They devote free time to family; travel; and self-improvement pursuits such as physical fitness, reading, visiting museums, and attending the theater. They keep fit by working out weekly at a club or exercising on a treadmill or stationary bike at home in addition to skiing, ice skating, playing tennis and golf, and bicycling. They read the newspaper, books, and magazines (particularly epicurean, airline, travel, business, finance, and boating). Because they travel extensively in the United States and overseas for business and pleasure, they rack up the miles in frequent flyer programs. A favorite hobby is furniture refinishing. When listening to the radio, they prefer classical music as well as all-news, all-talk, news/talk, and sports programs.

Suburban Splendor residents are members of business clubs and are active investors, using the Internet to track and trade their stocks, bonds, and funds. They hold home equity credit lines, consult with financial planners, use stock rating services, and own life insurance policies valued at approximately \$500,000. They shop at upscale retailers, home stores, and wholesalers. They order items over the phone and shop online for airline tickets, flowers, and computer equipment.